

Welsh Government
Economic Resilience Fund (ERF)

Restrictions Business Fund
December 2020 – Sector Specific Support Package

FINAL - 08/12/20: Internal guidance for local authorities on administering Covid-19 Non-Domestic Rates (NDR) linked grants to qualifying hereditaments

About this guidance

1. This internal guidance is intended to support county and county borough councils (“local authorities”) administer business support grant schemes linked to the NDR system in Wales. A shorter version of the guidance has been made available for local authorities to publish on their websites.
2. The purpose of the NDR linked grant schemes is to support businesses with their immediate cash flow and to help them survive the economic consequences of additional restrictions necessary to control the spread of Covid-19 starting on Friday 4th December and subject to review in three weeks.
3. Unlike previous Covid-19 NDR linked grant schemes, the schemes being introduced in December 2020 (and the subject of this guidance) are more targeted in nature to provide direct support principally to hospitality businesses. The grants will also support supply chain businesses linked to the hospitality sectors and some retail businesses that can demonstrate a material impact to their enterprises as a result of the additional restrictions.
4. As with previous schemes, these new grants will complement UK Government schemes, with employment costs being met predominantly through the Job Retention Support Scheme (JRS). A further, hospitality specific ERF grant scheme will also be introduced and administered directly by the Welsh Government in January 2021.

The NDR linked grant schemes

5. The NDR linked grant schemes being introduced by the Welsh Ministers for the December 2020 – January 2021 restrictions period are as follows.

i) Grant A:

A **£3,000** cash grant payment for hospitality businesses with Small Business Rate Relief (SBRR) qualifying hereditaments with a rateable value of £12,000 or less. Local authorities should process this £3,000 grant payment for qualifying hospitality businesses that received an SBRR linked grant via the recent Firebreak Lockdown scheme without need for any further application processes to be introduced. These payments should start to reach businesses during December 2020.

Qualifying hospitality businesses that did not submit their details for an NDR grant during the Firebreak will need to complete a short registration form which will be made available during December 2020.

In identifying SBRR qualifying hospitality businesses for early payment, local authorities should use a combination of their locally held NDR databases, application based information from the recent Firebreak scheme, local knowledge and this guidance.

Grant A will be available to hospitality, tourism and leisure businesses and their supply chains and retail businesses with qualifying SBRR properties that can evidence (on a self-declared basis) greater than 40% reduction in turnover **as a direct result of new restrictions**.

These businesses will be asked to self-declare, via a short registration form whether they experienced a 40% reduction in turnover for December 2020 as compared to December 2019. For businesses that had not yet started trading in December 2019, the 40% reduction in turnover for December 2020 should be compared to their monthly turnover for September. Local authorities should open the registration process for these businesses in January 2021.

To qualify for this grant, businesses will occupy a hereditament with a rateable value of £12,000 or less.

For businesses needing to register, their hereditament must have been on the NDR rating list as of the 1st September 2020 and the ratepayer needs to have been in occupation of the property as of the 30th November 2020.

The multiple property restriction applied to the Small Business Rates Relief scheme applies to this grant. Therefore the same ratepayer may only receive the grant for a maximum of two properties in each local authority.

Grant A will also apply to ratepayers eligible for charitable relief and Community Amateur Sports Clubs (CASC) relief, operating in the leisure and hospitality sectors occupying properties with a rateable value of up to £12,000. Local authorities have discretion to provide grants to not-for-profit bodies they consider to be operating for charitable purposes but aren't currently receiving charitable relief or CASC relief. This discretion will only apply to not-for-profit organisations who are in receipt of or have entitlement to discretionary rates relief and operate in the leisure or hospitality sectors.

ii) Grant B:

A **£5,000** cash grant payment for hospitality businesses occupying hereditaments with a rateable value between £12,001 and £51,000. Local authorities should process this £5,000 grant payment for qualifying hospitality businesses that received a £5,000 NDR linked grant via the recent Firebreak Lockdown scheme without need for any further application processes to be introduced. These payments should start to reach businesses during December 2020.

Qualifying hospitality businesses that did not submit their details for an NDR grant during the Firebreak will need to complete a short registration form which will be made available during December 2020.

In identifying qualifying hospitality businesses for early payment, local authorities should use a combination of their locally held NDR databases, application based information from the recent Firebreak scheme and this guidance.

Grant B will be available to hospitality, tourism and leisure businesses and their supply chains and retail businesses with rateable values of between £12,001 and £51,000 that can evidence (on a self-declared basis) greater than 40% reduction in turnover **as a direct result of new restrictions**. Businesses will be asked to self-declare whether they experienced a 40% reduction in turnover for December 2020 as compared to December 2019. For businesses that had not yet started trading in December 2019, the 40% reduction in turnover for December 2020 should be compared to the monthly turnover for September 2020. Local authorities should open the registration process for these businesses in January 2021.

For businesses needing to register, their hereditament must have been on the NDR rating list as of the 1st September 2020 and the ratepayer needs to have been in occupation of the property as of the 30th November 2020.

The grant is also available to not-for-profit organisations occupying eligible hospitality and leisure properties.

iii) Grant C:

A **£5,000** cash grant payment for hospitality businesses occupying hereditaments with a rateable value between £51,001 and £150,000. The applicant's hereditament must have been on the NDR rating list as of the 1st September 2020 and the ratepayer needs to have been in occupation of the property as of the 30th November 2020.

This will be a new cohort of businesses receiving emergency grant support for the first time under the NDR linked schemes. They will need to complete a short registration process which will be made available during December 2020.

Grant C will be available to hospitality, tourism and leisure businesses and their supply chains and retail businesses with rateable values of between £51,001 and £150,000 that can evidence (on a self-declared basis) greater than 40% reduction in turnover **as a direct result of new restrictions**. Businesses will be asked to self-declare whether they experienced a 40% reduction in turnover for December 2020 as compared to December 2019. For businesses that had not yet started trading in December 2019, the 40% reduction in turnover for December 2020 should be compared to the monthly turnover for September 2020. Local authorities should open the registration process for these businesses in January 2021.

The grant is also available to not-for-profit organisations occupying eligible hospitality properties.

Administering the schemes

6. In order to help affected businesses survive the effect of additional restrictions, it is important that funding reaches them quickly and efficiently but with appropriate accounting officer safeguards in place.
7. Given wider resource pressures, a phased approach will therefore be needed to activate different elements of the schemes. As such, **this guidance will need to evolve and be updated alongside the development of registration forms over the coming days and weeks to provide necessary safeguards and assurances**. Wherever possible, it will be the intention to keep registration forms as light touch as possible and to re-use as far as possible, tried and tested approaches.
8. The **immediate priority is for local authorities to start processing payments for Grants A and B to known hospitality businesses who registered for and were awarded SBRR and RLH grants under the recent Firebreak Lockdown scheme**.

9. For local authorities, this will involve **identifying hospitality businesses** that were awarded a Firebreak SBRR grant or RLH grant. **Any non-hospitality businesses, including those that received a grant under the Firebreak schemes will need to be excluded from the new grant payment runs.**
10. Local authorities have explained that their local NDR systems can help facilitate this process. The remainder of this guidance note is intended to help support that process by identifying specific types of hospitality businesses that local authorities can prioritise for early payment.
11. Local authorities will be provided with financial support to help meet the costs of administering these grants. Further details on this will be provided separately.
12. The Restrictions Business Fund is separate to and distinct from earlier rounds of NDR linked grant support. All previous NDR linked grant schemes are now closed to new applicants and there are no exceptions to this.
13. Registering for the Restrictions Business Fund does not enable businesses to apply retrospectively for previous or any other grant schemes.

Definitions – Hospitality Prioritised Payments

14. Local authorities should **prioritise the following types of hospitality businesses for early payment of the NDR linked grants in December** subject to their hereditaments qualifying and which meet the criteria laid out in paragraphs 5 i-iii of this guidance note – specifically that they registered for and received an NDR linked grant payment under the firebreak scheme.
15. Hospitality hereditaments that should be prioritised for early payment include:
 - Restaurants
 - Cafés
 - Pubs
 - Bars or wine bars
 - Accommodation providers (e.g. hotels)
16. In addition, some premises are being required to close under the Health Protection (Coronavirus Restrictions) (No. 4) (Wales) Regulations 2020, as amended¹. Some of businesses listed in the Regulation, who occupy eligible hereditaments and who registered for an NDR grant during the Firebreak schemes should be included for a prioritised December payment. The list of businesses for prioritised payment should include:
 - Concert halls
 - Theatres
 - Licenced club premises or live music venues
 - Bingo halls
 - Bowling alleys, amusement arcades and indoor play areas
 - Cinemas
 - Skating rinks

¹ See: <https://gov.wales/sites/default/files/publications/2020-12/the-health-protection-coronavirus-restrictions-no-4-wales-regulations-2020-as-amended-with-the-changes-illustrated.pdf>

- Funfairs, amusement parks and theme parks
- Museums and galleries
- Visitor attractions

Other businesses forced to close but occupying potentially eligible hereditaments will need to complete the registration process.

Definitions – Hospitality, Tourism, Leisure supply chain and Retail

17. In processing new applications for each of the above grants from hospitality, tourism and leisure supply chain businesses and retail businesses materially impacted by the new restrictions, local authorities should apply the Welsh Government's guidance on Retail, Leisure and Hospitality Rates Relief in Wales – 2020-21. This guidance provides a detailed list of the hereditaments that are eligible. It also provides a list of hereditaments that are not eligible.
18. In relation to self-catering accommodation, the same guidance as for previous NDR linked grant schemes applies, which is that properties will not be eligible for the grant unless the following criteria are met:
 - The self-catering accommodation can produce two years of trading accounts directly preceding the current financial year of the business
 - The self-catering accommodation must actually have been let for a period of 140 days or more in the financial year 2019-20
 - The self-catering accommodation business must be the primary source of income for the owner (minimum threshold is 50%).
19. For self-catering properties, local authorities have full discretion to request and examine trading business accounts, booking lists and self-assessment tax returns submitted to HMRC for the financial year ending 31 March 2019 if additional evidence is required to demonstrate that this criteria is met. In cases where local authorities have decided to request additional evidence and the evidence shows that the scheme criteria are not met, local authorities are required to withhold payment of grant.
20. It is presumed that where necessary, local authorities will already have conducted any checks on self-catering properties paid grant as part of the Firebreak schemes. **Repeat checks on the same self-catering businesses already awarded grant will not therefore be expected as part of this new scheme.**
21. In relation to gambling and gaming, arcades of the type that could be classified as amusements rather than gambling premises are considered leisure establishments and are eligible for the grants either via the SBRR route or, where the rateable value of the premises makes them eligible, for the larger £5,000 grant as leisure facilities.
22. Gaming establishments (as generally found in a city centre environment but potentially also located anywhere) that usually have limited access to people aged 18 and over and are a) not entitled to SBRR and b) where gambling rather than amusement is the predominant activity are not eligible for the retail, leisure and

hospitality grant. The NDR scheme guidance for Retail, Leisure and Hospitality Rates Relief in Wales – 2020-21 explicitly excludes gambling hereditaments.